Under/over Assessment of Direct Taxes

4063. SHRI MURLI DEORA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(b) file number of cases of under/over assessment of direct taxes detected by audit during the last two years and the amount involved;

(c) the reasons for under assessment; and

(d) the number of cases rectified till now and the recovery made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Sir,C&AG in its Annual Reports No. 12 of 2001 and 12 of 2002, has detected the following number of cases of under/over assessment cases of direct taxes :

S.No. C&AG Report No.	No. of under assess-ment cases & amount involved	No. of over assessment cases & amount involved
1. Report No. 12 of 200! 2	12613 (2861.27 Cr.)	74(1.64Cr.)
Report No. 12 of 2002	15919 (4777.70 Cr.)	82 (49.24 Cr.)

(a) Reasons for under assessment include incorrect computation of business income, mistakes in allowance of depreciation & investment allowance, incorrect allowance of capital expenditure, incorrect carry forward and set off of loss, incorrect deduction under chapter VIA of Income Tax Act, excess refund, incorrect calculation of tax and interest etc.

(b) CBDT has directed vide Instruction No. 1928 dated 7-8-1995 to their assessing officers working in all Commissionerates of Income tax in the country of invariably initiate remedial actions including rectificatory measures, in all cases of revenue audit objections irrespective of the fact whether the revenue audit objections are accepted or not accepted by the department. The process of generation of audit observations including the cases of under/over assessment and their settlement is a continuous one. The field units have suitably been instructed to take necessary remedial action and complete them expeditiously where an objection has been accepted by Commissioner of Income Tax. To clear audit observation field units have since been instructed to settle cases on

priority basis. The targets have also been fixed and progress is being monitored at the senior level in the Ministry.

However, cases relating to Revenue audit objections exist in all parts of the Country. There is no central mechanism to determine the exact number of such cases where rectifications have resulted in recovery of taxes.

Collecting data from various field formations regarding number of rectifications carried out and consequential revenue recovery will need an effort which may not be commensurate with results.

RBI's Notification on Relaxations given to NRIs

4064. SHRI EKANATH K. THAKUR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to stow:

(b) whether the Reserve Bank of India (RBI) has notified the relaxations announced by the Finance Minister for the Indian diaspora on 10th January; and

(c) if so, the details of the notification?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANAND RAO VITHOBA ADSUL): (a) and (b) Earlier Non-Resident Indians/Persons of Indian Origin (NRIs/PIOs) were permitted to repatriate different amounts for different purposes out of the balances held by them in their NRO accounts. Subsequent to Finance Minister's announcement for the Indian Diaspora on 10-1-2003, pending issue of notification. RBI have issued instructions to authorised dealers on January 13, 2003, vide A.P. (DIR Series) Circular No. 67, removing the dispensation of permitting different amounts for different purposes and also enhancing the overall limit to US $ 1 Million per calendar year out of balances held in NRO accounts/sale proceeds of assets, of NRIs/PIOs/foreign nationals in terms of extant procedure. This relaxation shall, subject to review, be effective upto 30-6-2003.

Reduction in Rate of Interest on Relief Bonds

4065. SHRI KARNENDU BHATTACHARJEE : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to cut down the rate of interest on the relief bonds;